

1998 SMALL BUSINESS PROFILE

SMALL BUSINESS: HEART OF THE GEORGIA ECONOMY

The importance of small business to the state of Georgia is apparent in the 1998 Small Business Profile. This year's findings, compiled by the U.S. Small Business Administration's (SBA) Office of Advocacy, indicate that small businesses are vital to the state's economy. Not only do small businesses play a critical role by efficiently reallocating the state's resources and injecting new ideas into the economy with business starts and stops, but their diversity and composition provide the work force with many opportunities.

Number of Businesses - In 1997, Georgia had 173,643 businesses with employees; 97.6 percent of the businesses were small businesses (percent based on 1995 data for businesses with fewer than 500 workers). In addition to the number of employer businesses, the state also had 241,000 self-employed persons in 1997.

Small Business Income - The income of sole proprietors and partners rose 4.9 percent to \$11.8 billion in 1997, while wage-and-salary income rose 7.8 percent. The state also exported \$9.8 billion of goods in 1997. (In 1992, 78.0 percent of the exporters in the state were small businesses.)

Women-Owned Businesses - According to The National Foundation for Women Business Owners, as of 1996, there were 203,500 women-owned businesses in Georgia, including part-time firms, employing 622,100 people and generating \$87.5 billion in sales. Between 1987 and 1996, the number of women-owned businesses increased 112.4 percent.

Minority Businesses - According to the latest Bureau of the Census data, the number of black-owned firms, including part-time firms, increased 79.8 percent from 1987 to 1992, totaling 38,264 in 1992. The number of Hispanic-owned firms, including part-time businesses, rose 184.9 percent during the same time period with 5,501 firms in 1992. There has also been a marked increase in the number of businesses owned by Asian and Pacific Islanders, American Indians, and Alaskan Natives. The number for this group grew from 4,221 in 1987, to 8,961 in 1992, representing a 112.3 percent increase.

Business Turnover - Between 1996 and 1997, the number of new firms increased 13.4 percent, while new business incorporations increased 9.0 percent in 1997. Financial difficulties leading to business bankruptcies decreased by 8.8 percent and business failures decreased by 9.6 percent during 1997.

Finance - An SBA Office of Advocacy study found that the number of banks in Georgia decreased from 396 in 1994 to 348 in 1997. The study also found the top lenders to small businesses in FY 1997 were:

Bank Name	Location
COASTAL BK	Hinesville
BANK OF DUDLEY	Dudley
CENTRAL B&TC	Cordele
BANK OF FITZGERALD	Fitzgerald
COMMUNITY TR BK	Hiram
COMMUNITY B&TC HABERSHAM	Cornelia
BANK OF TOCCOA	Toccoa
MCINTOSH ST BK	Jackson
FIRST ST BK	Stockbridge
ALLIED BK OF GA	Thomson
FARMERS & MRCH BK	Lakeland
SUNTRUST BK SOUTH GA NA	Albany
REGIONS BK	Gainesville
SUNTRUST BK	Atlanta

Small businesses seeking loans should also consider banks that participate in SBA loan programs. To locate an SBA preferred or certified lender near you, call 1-800-8-ASK-SBA.

Job Growth - From 1992 to 1996, small businesses (fewer than 500 employees) created 84.8 percent of the net new jobs. The figures below indicate the importance of small businesses as job creators.

Number of Jobs Created by Major Industry and Employment Size of Firm, 1992-1996

Industry	1-4	5-19	20-99	100-499	500+	Totals
All Industries	201,171	106,552	81,159	81,456	84,180	554,517
Manufacturing	5,097	7,726	9,109	11,102	(48,466)	(15,431)
Retail Trade	38,939	14,269	17,406	10,352	(2,269)	78,696
Services	99,193	51,478	34,741	49,805	143,921	379,138
Other	57,943	33,081	19,903	10,196	(9,006)	112,116

Industries - Small firms in the state are represented in many industries. The Eating & Drinking Places industry is the largest small business employer in Georgia, followed by Health Services. The fastest growing

industry for small business is Insurance Carriers (represents industries that were at least 0.25 percent of the 1995 total). The following three tables provide information about the small business sector in the state.

Table 1, Top Five Industries by Employment, 1995

Industry	SIC	Total Empl.	Percent of total	Percent small
Total - All Industries	1	2,918,689	100.0	46.4
Health Services	8000	274,514	9.4	39.4
Eating & Drinking Places	5800	221,370	7.6	55.8
Business Services	7300	220,930	7.6	43.3
Wholesale Trade - Durable Goods	5000	132,422	4.5	60.1
Food Stores	5400	119,084	4.1	22.2

Table 2, Top Small Business Industries by Employment, 1995

Industry	SIC	Small Bus. Empl.	Percent of total	Percent Small
Total - All Industries	1	1,354,068	100.0	46.4
Eating & Drinking Places	5800	123,518	7.6	55.8
Health Services	8000	108,024	9.4	39.4
Business Services	7300	95,584	7.6	43.3
Special Trade Contractors	1700	84,267	3.1	91.9
Wholesale Trade - Durable Goods	5000	79,553	4.5	60.1

Table 3, Fastest Growing Industries in Employment for Small Business, 1994 - 1995

Industry	SIC	Small Bus. Empl. 1995	Net change	Percent change
Total - All Industries	1	1,354,068	56,935	4.2
Insurance Carriers	6300	2,818	943	33.5
Miscellaneous Manufacturing Industries	3900	3,956	724	18.3
Sec. & Comm. Brokers, Deal., Exch., & Serv.	6200	2,325	411	17.7
Elec. Equip. & Components Except Compt.	3600	6,992	1,015	14.5
Social Services	8300	40,287	5,755	14.3

Sources: Office of Advocacy, U.S. Small Business Administration from data provided by the Department of Commerce, Department of Labor, Administrative Office of the U.S. Courts, Federal Reserve Board, Dun & Bradstreet Corporation, National Foundation for Women Business Owners, and Cognetics, Inc.